

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1029
ANSWERED ON:27.07.2001
INCREASE IN PRICES OF OILSEEDS
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) whether the cost of cultivation of oilseeds are increasing due to removal of quantitative restrictions;
- (b) whether the prices of oilseeds are decreasing in India rapidly, due to removal of quantitative restrictions;
- (c) if so, the details therefor; and
- (d) the steps being taken by the Government to overcome the situation?

Answer

MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN)

(a) to (d) : Removal of Quantitative restrictions on imports has no adverse impact on the cost of cultivation. Import of all refined edible oils except coconut oil, Palm kernel oil, RBD palm oil and RBD palm stearin had been made free prior to 01.04.95. Import of various crude edible oils and Palm kernel oil, RBD palm oil and RBD palm stearin was made free on 31.03.99. Import of crude edible oils was made free to provide for proper utilisation of the local processing and refining capacities.

Representations have been received from some quarters regarding the adverse impact of import of edible oils on the domestic producers of oil seeds. In response to these representations, import duty on various edible oils has been increased from 16.5% to up to 85% (depending on type of edible oil) during the last one year. The present level of duty should provide necessary protection to the domestic producers.